

# **CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT (CTBID) BOARD**

## ***MINUTES***

**March 30 2007**

**1:30 p.m.**

**1635 Faraday Avenue, Room 173B  
Carlsbad, CA**

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### **I. CALL TO ORDER:** 1:35 p.m.

Chairperson April Shute called the meeting to order at 1:36 p.m.

### **II. ROLL CALL:**

The Chair took roll call and four Directors were present. Directors Vallas and Canepa were absent. There is one vacancy on the Board due to the resignation of Mr. Kauhaahaa.

### **III. APPROVE MINUTES OF THE JANUARY 9, 2007 MEETING**

Mr. Cima made a motion, seconded by Mr. Stripe, to approve the minutes of the January 9, 2007 meeting. Motion carried by unanimous vote.

### **IV. STAFF REPORT**

Mrs. Gerhardt presented a staff report to update the Board members on financial activity that has transpired since the previous meeting. (The PowerPoint slide presentation is attached to these minutes.) She reviewed the CTBID assessment revenue through January 2007. The revenue collected by the hotels was for January 2007, due the end of February 2007. The average occupancy rate was 61%. The revenue through January 31, 2007 was \$536,447 and expenditures were \$356,820. Revenue collected from January through December 2006 was \$747,000, compared to budgeted revenue of \$790,000. There is \$168,205 in the contingency fund. The consultants' fees for the positioning study will be paid out of the contingency fund. There is also \$158,000 held in reserves which would cover any revenue shortfall.

### **V. AB #0307-17 – ADOPT RESOLUTION #2007-3**

Mr. Cima provided background information and described the selection process for choosing the consultant to perform the Positioning Study. An ad hoc subcommittee, comprised of Mr. Cima, Mr. Stripe and Ms. Howard-Jones, reviewed the proposals that were submitted. The subcommittee feels it is very

important to find an organization that has a history of providing a needs analysis and will be able to assist Carlsbad with its branding process.

Mr. Stripe thanked Mrs. Gerhardt for all her efforts in assisting the subcommittee members through the process. Mr. Stripe reported that The Wright Group has prior experience performing a similar positioning study with the City of Philadelphia, as well as numerous other clients. Their focus is to obtain insights and ideas from customers who currently visit Carlsbad. They understand the concept of who Carlsbad's competition is. They have done a lot of work in tourism and consumer products.

Destination Analysts will conduct a survey of frequent leisure travelers who live in the Southern California/Nevada/Arizona Region. The survey will contain approximately 25 questions, and the sample would be collected from their research panel. They have a huge database to test and validate several positioning statements.

Ms. Howard-Jones added that Destination Analysts will conduct 600 surveys focusing on viewpoints from The Wright Group study.

Mrs. Gerhardt stated the positioning study costs are: \$64,000 for the study; \$6,000 travel expenses, for a total of \$70,000. There is an additional \$25,000 fee if the Board members wish to have them videotape each interview. Destination Analysts' fee is \$23,000 for the Regional Travel Survey; and \$2,000 for Additional Discovery Research, for a total of \$25,000.

Mrs. Gerhardt highlighted the work each company would perform and the process. The CTBID Board members will have input on the questions that will be asked on the survey. Mr. Stripe and Mr. Cima added that this product will be useful to all hotel properties in the area. The visitors' perspective could add clarity to the product and what can be shared with the properties.

A suggestion was made to begin the survey in June before the fair and horse races begin. The results would be more meaningful. The Wright Group needs to meet with the Board members prior to beginning the survey, preferably on a Friday, then they could talk to the consumers over the weekend and into the following week.

Mr. Ball suggested that the Board delegate authority to the ex officio member (Mr. Elliott). Another meeting of this Board is not required to decide what the best date is. Mr. Stripe agreed with Mr. Ball's recommendation with the understanding that it is preferable to conduct the study during the last two weeks of June. Mr. Elliott stated the entire Board must be present on the date that is chosen to meet with The Wright Group.

Mr. Stripe made a motion, seconded by Mr. Cima, to adopt Resolution #2007-3, Selection of The Wright Group and Destination Analysts for Positioning Study. Motion carried by unanimous vote.

**Action:** Mrs. Gerhardt will speak with Judith Wright and will e-mail the date to the Board members.

## **VI. DISCUSSION ITEMS**

Chairperson Shute reported that Mr. Kauhaahaa resigned from the Board. She expressed her thanks to him for his service and time on the Board.

Mr. Elliott stated that the City Council may appoint anyone who is qualified to serve on the Board. The City Clerk will post the item on the City Council agenda. The City Council will welcome input from this Board, but it is not mandatory. Also, an individual may express interest via a letter to the Mayor and City Council. Three permanent seats consist of representatives from the La Costa Resort, the Four Seasons Aviara Resort and the Grand Pacific Palisades Resort. The next general manager of the Holiday Inn does not automatically hold the seat. The term expires in November 2009 and is subject to reappointment.

## **VII. NEXT MEETING**

The next regular meeting will be held on Friday, May 4, 2007, from 11:00 a.m. to 12:00 p.m. A room location was selected following the meeting and will be held at 1635 Faraday Avenue, Room 173A.

**Action:** Agenda items will be: 1) San Diego North Convention and Visitors Bureau performance measures; 2) 2007-08 budget which must be submitted to the City Council prior to June 30, 2007; and 3) extension of the current contracts with Carlsbad Convention and Visitors Bureau and San Diego North Convention and Visitors Bureau which expire on June 30.

Mr. Cima suggested appointing an ad hoc subcommittee to review the budget process and to discuss the needs of the CTBID for the upcoming year. The ad hoc subcommittee will be comprised of: Robert Cima, April Shute and Tim Stripe. It is urgent that they schedule a meeting in the very near future.

**ADJOURNMENT**

Chair April Shute adjourned the meeting at 2:29 p.m.

Respectfully submitted,

Sheryl Keller  
Recording Secretary

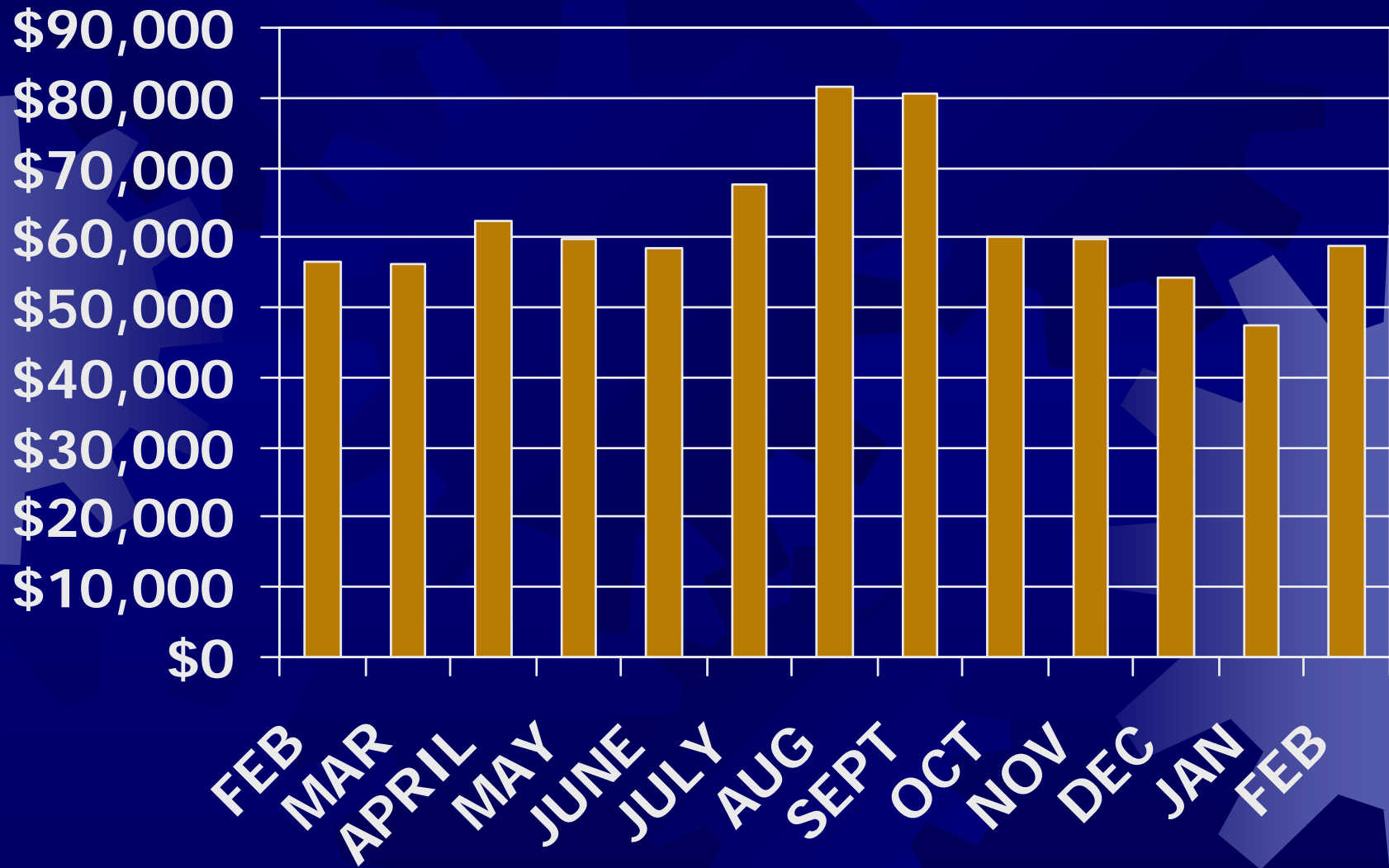


# **Carlsbad Tourism Business Improvement District Financial Update**

By: Cheryl Gerhardt  
March 30, 2007

# CTBID Assessment Revenue

13 month period



Month revenue collected

Ave occupancy rate 61%

# 2006-07 Budget to Actual

## as of 3/28/2007

Program Areas	Budget	Actual 28-March-07	Remaining Balance
<u>Revenues:</u>			
CTBID Assessment	790,000	536,447	253,553
Interest Earnings	1,000	5,723	(4,723)
Total Estimated Revenues	791,000	543,170	247,830
<u>Expenditures:</u>			
2% Administrative Fee - City	15,800	8,582	7,218
CCVB Payment	408,000	272,000	136,000
SDNCVB Payment	100,000	66,666	33,334
Staff support	15,000	9,572	5,428
Contractual Services	168,205	0	168,205
Total Expenses	707,005	356,820	350,185

# Financial Highlights

- ★ CTBID Revenue for Jan-Dec 2006 \$747K
- ★ Average occupancy rate 61%
- ★ Current year contingency \$168,205
- ★ Unbudgeted reserves \$158,000



# Positioning Study Cost

## ★ The Wright Group

Positioning Study	\$64,000
Travel & Incidentals	<u>6,000*</u>
Total	\$70,000
Optional Video taping	\$25,000

## ★ Destination Analysts

Regional Travel Survey	\$23,000
Discovery Research	<u>2,000*</u>
Total	\$25,000

\* Not to exceed amounts